

CORRECTED FISCAL NOTE

SB 1143 - HB 1893

April 8, 2005

SUMMARY OF BILL: Allocates Hall Income Tax collections to municipalities based on population estimates made by the federal census. Excludes counties from receiving any portion of the allocation. Deletes the one-third share (33%) of the current county and municipality allocation earmarked for the General Fund. Authorizes municipalities to use distributions for general purposes.

ESTIMATED FISCAL IMPACT:

On March 13, 2005, we issued a fiscal note which indicated a decrease of state revenues of \$18,920,000, an increase to local government revenues of \$18,920,000, and indicated there would be a shift of revenues among municipalities. Based on additional information, the estimated fiscal impact of this bill is:

(Corrected)

Decrease State Revenues - \$18,920,000

Increase State Expenditures - \$44,000 One-Time

Increase Local Govt. Revenues - \$18,920,000 (Municipalities only)

Other Fiscal Impact – Distributing Hall Income Tax collections to the municipalities based on population would cause a shift of revenues between municipalities. Some municipalities would increase revenues while others would lose revenues.

Assumptions:

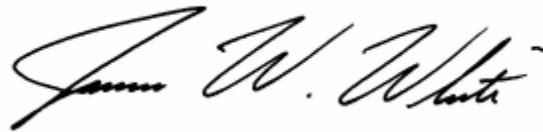
- FY06 Hall income tax collections estimated at \$152.9 million.
- Currently, three-eighths (37.5%) of Hall Income Tax collections are earmarked for *counties and municipalities*. This would be approximately \$57.34 million for FY06 ($\$152.9 \text{ million} \times 37.5\% = \57.34 million).

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- One-third (33%) of the \$57.34 million allocation would no longer go the General Fund. This would be a decrease to state revenues (General Fund) of approximately \$18.92 million ($\$57.34 \times 33\% = \18.92 million).
- An additional \$18.92 million would be distributed to the municipalities.
- Counties are excluded.
- One-time state expenditures for computer programming and software modifications are estimated at \$44,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and "W".

James W. White, Executive Director